

***Task Force on Passenger Rail  
Funding***

**Findings and  
Recommendations Report**

*First Session of the 123<sup>rd</sup>  
Legislature's  
Joint Standing Committee on  
Transportation*

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# **CONTENTS**

## **I. Introduction**

## **II. Background**

- a. Return of Passenger Rail

## **III. Findings**

- a. Downeaster Service
- b. Benefits to Freight Rail
- c. Downeaster Business Plan
- d. Task Force on Passenger Rail Funding
  - i. Sub-Committee on Funding Alternatives

## **IV. Conclusions**

- a. Task Force on Passenger Rail Funding Recommendations

## **Appendix A**

Executive Order

## **Appendix B**

List of Task Force Members

## **Appendix C**

*Downeaster Business Plan - June 2004*

Maine Department of Transportation

Northern New England Passenger Rail Authority

## **Appendix D**

*Comparable State Funding*

Transportation Research Board, Federal Transit Administration

## **Appendix E**

Memo from Task Force Chairman Gregory Nadeau to the Task Force, November 2006

## I. INTRODUCTION

Five years ago, passenger rail service returned to Maine through the determined efforts of train enthusiasts, municipal, state, federal leaders, and the general public. These advocates recognized that the train offers a clean and environmentally safe way to travel and advances economic development in the service region. Moreover, train travel is unique as a mode of surface transportation due to the volume of passengers that can be transported on a dedicated line separated from highway congestion. Since service began, the Downeaster has proven its worth and quieted critics that predicted low ridership and eventual failure.

From its inception, the State of Maine provided operational funding for the Downeaster through federal Congestion Mitigation Air Quality (CMAQ) funds. These funds were only available for the first three years of service operation. In 2005, with assistance from Maine's federal delegation, authorization for the use of CMAQ funding was extended through 2009 as provided for through the federal transportation reauthorization bill SAFETEA-LU. However, it was clear that the Downeaster service could not rely on any further extensions of authority for the use of federal CMAQ funds to support Downeaster operations. Without a new funding source, the Downeaster service is in peril and future development of connecting passenger rail in the State of Maine could be lost.

Last year, with the funding crisis looming, the Maine Department of Transportation and Northern New England Passenger Rail Authority presented Governor John E. Baldacci with the Downeaster Business Plan. The Plan summarized the service's operational and capital funding shortfall, outlined objectives, and recommended actions for sustainability and continued growth. Recognizing the state's financial investment in passenger rail, significance as a vital transportation mode and instrument for economic development; Governor Baldacci issued an Executive Order to establish a Task Force that would identify sustainable financial resources and resolve the funding shortfall.

Throughout 2006, Task Force members met determined to find a funding formula that would stabilize the existing passenger rail service and establish a funding stream for future expansion to Brunswick, Lewiston/Auburn and foreseeable operations on the Mountain Division. The Task Force's thorough investigation focused on the relationship between passenger rail service and its impact on state and regional economic development, bringing visitors to the State, and the need to reduce reliance on the SOV (single occupancy vehicle). In their key recommendations, Task Force members identified projected transportation related revenues that were within the Bureau of Revenue Services future annual growth projections and supported expanding statewide funding to the STAR (State Transit Air Rail) account.

This report was prepared in response to the February 10, 2005 Executive Order directed by Governor John E. Baldacci. The Executive Order established the Task Force on Passenger Rail Funding and charged the members *to identify financial resources and develop a plan to establish sustainable funding for passenger rail service*. The Executive Order also directed the Maine Department of Transportation with participation from the Northern New England Rail Authority to provide *all necessary staff from current resources*.

## II. BACKGROUND

### **Return of Passenger Rail**

A grassroots citizen's organization, *TrainRiders Northeast*, was founded in 1989 to explore the feasibility of having Amtrak extend the Northeast Corridor Passenger Trains from Boston through New Hampshire to Portland, as a first step to expanding passenger rail service to Northern New England.

Reinforcing public demand, findings in a statewide passenger rail study conducted for the Maine Department of Transportation, Report on Passenger Needs: Boston-Portland-Brunswick Corridor (October 1990), indicated that the return of passenger rail service would be a sound public investment and strengthen Maine's freight rail system. Additionally, the study indicated that the recipe for a successful service would include three daily round trips with 2 ½ hours running time between Portland and Boston. The study also indicated that the service would attract 167,900 annual riders and require an annual subsidy of \$5.2M. Eventual service expansion to Brunswick was cited as a key component to increasing regional tourism and economic development

In 1991, *TrainRiders Northeast*, along with political action committee RailVision, gathered and submitted 90,000 signatures asking the Maine legislature to adopt an act requiring the return of passenger rail service. In response, the legislature adopted the Passenger Rail Service Act and Governor John McKernan signed it into law on July 14, 1991. This act became Maine's first citizen initiated bill to be adopted by the Maine State Legislature.

As a result of this legislative action, fifty-eight million dollars in federal and state funds were appropriated to support the construction of seventy-eight miles of new rail and over one hundred thousand rail ties, and the rehabilitation of twenty-three grade crossings. Construction was completed in November 2001. A Kennebec Journal editorial in June 2000 stated, "...revitalizing passenger rail service can lead to improving downtowns, diversifying their uses, and with appropriate planning, facilitate more "livable communities."

Speaking at the December 15, 2001 inaugural of the *Downeaster* service, Governor Angus King praised the citizens of Maine for their determination, "Like most major success, today's inaugural run is the result of many years of hard work by hundreds of people. I'd like you to think about all those whose commitment and contributions made this day possible."

The successful return of passenger rail service in December 2001 was the result of strong public demand for transportation choices over the automobile.

### **III. FINDINGS**

#### **Downeaster Service/Economic Development**

Since service began, over one million passengers have ridden on the *Downeaster*. After the first year novelty of the “train” travel was over, the *Downeaster* service evolved into what it had originally been designed to become; a quality transportation alternative and economic engine for the region. A March 2005 study by the Economic Development Research Group, Inc. reported *... more than \$15 million of annual economic activities in Maine and New Hampshire can be attributed to the rail service, supporting over 200 jobs and nearly \$5 million in wages.* The study went on to conclude *... the potential annual economic benefit realized by the Downeaster in the two states may exceed \$53 million per year by 2015, providing \$22 million in wages to more than 900 workers.*

During the past five years, the steady increase in economic development surrounding the *Downeaster* rail station communities in Maine and New Hampshire has been realized. Old Orchard Beach has a new condominium and hotel project under construction...just steps away from the rail station; adjacent to the Saco station, an \$80 million project is planned to develop commercial and residential units; and, during peak travel periods parking is at capacity at the Portland Transportation Center. Additionally, the easy access to the Durham station is used as a recruitment tool by the University of New Hampshire and plans are underway to construct a new intermodal station.

City of Saco Economic Development Director, Peter Morelli said, “The arrival of the *Downeaster* has put Saco on the map. We all feel privileged to have it. Recent investments in the community can be directly attributed to the arrival of the train. What was a blighted area of Saco has been cleaned-up, refurbished and revitalized.”

#### **Benefits to Freight Rail**

Maine’s Freight Rail System has benefited from the improvements made to passenger rail lines. Over the past 10 years, \$64M was invested in improvements to the Portland to Boston rail line and related infrastructure on 78 miles of freight line from Portland, ME to Plaistow, NH. These improvements allowed the freight operator to operate more competitively with trucks, more reliably, and at speeds up to 40 mph.

The public benefit of improvements to freight lines is enhanced safety on the system. Improved rail infrastructure enhances the safety of both passengers and commodities that are transported on the line. Signal improvements and grade crossings upgrades make crossings safer for the automobiles, trucks and pedestrians.

The State’s investment in rail transportation reduces freight shipments over Maine’s highways and the costs incurred to maintain those highways.

#### **Downeaster Business Plan**

In 2004, the Maine Department of Transportation (MaineDOT) and the Northern New England Passenger Rail Authority (NNEPRA) developed the *Downeaster Business Plan* to offer long term

strategies to fund operation and capital needs. The Downeaster service was facing a serious funding shortfall due to increased service costs from Amtrak and limitations on the operational resources provided by federal Congestion Mitigation Air Quality. Fortunately, Maine's Congressional Delegation was able to gain an extension for the use of CMAQ funding to support Downeaster operations; however, this authority will expire in 2009.

The Business Plan recommended several key strategies to stabilize the service and address future expansion. Although Downeaster ridership had exceeded projections, it was determined that service and capital improvements could facilitate an increase in ridership and revenue. Service recommendations included reducing trip time to 2 ½ hours, adding a fifth round trip, service extension to Freeport and Brunswick, investment in safety and security technology, and adding another train set. The capital plan recommended improvements to the Portland to Boston rail corridor and the expansion of service to Brunswick.

### ***Funding Shortfall***

With the passenger rail service funding at a status quo level, the Business Plan stated that the gap between the Downeaster farebox revenues and operating expenses was projected to grow to over \$7 million in FY 2007 and grow to \$8 million in FY 2009.

The final recommendations in the Business Plan were to appoint a Governor's Task Force to identify potential funding strategies and mechanisms, implement the recommended enhancements expected to increase ridership and revenues, and execute a coordinated regional marketing effort.

### **Task Force on Passenger Rail Funding**

On February 10, 2005, Governor John E. Baldacci signed an Executive Order, "An Order to Develop Methods of Financing Sustainable Passenger Rail Services," establishing a Task Force on Passenger Rail Funding. The Order noted the State of Maine's history and long standing commitment supporting passenger rail and the projected future impact of congestion on I-295 and the Maine Turnpike.

The Task Force was asked to identify financial resources, develop a plan to institute sustainable funding for passenger rail service, and report their findings and recommendations to the First Session of the 123<sup>rd</sup> Legislature's Joint Standing Committee on Transportation.

### ***First Meeting***

The first meeting of the Governor's Task Force on Passenger Rail Funding was held on January 20, 2006, with Task Force Chairman Gregory Nadeau presiding. Reports on Maine's freight rail system, the history of the return of passenger rail service, a summary of Downeaster operations, and a presentation on the regional economic benefits of the Downeaster service were offered to members. The last report, the Downeaster Business Plan, was presented and members briefed on the operational funding shortfall and ramifications of inaction. A short session was held at the end of the meeting in response to member questions on the previous material and to identify areas that required more investigation for the next meeting.

## ***Second Meeting***

On February 10, 2006, Task Force members were presented with directed materials and information on national/state/regional passenger rail transportation and funding policies. Amtrak Vice President Gil Mallory reported on the future of Amtrak service and the significant role the Downeaster plays in the national network. Anne Stubbs, Executive Director of the Coalition of New England Governors, briefed Task Force members on the political base in Washington DC for passenger rail and strategies for sustained funding.

New England Passenger Rail Authority Executive Director, Patricia Douglas, concluded the meeting with a summary of funding strategies employed by other Amtrak service states. Nationally, federal funding was generally available for capital expenditures; however, state and local resources were required for passenger rail operations. States used a variety of fuel, highway and general fund taxes; as well as dedicated sources like lotteries and fees. Ms. Douglas added that funding strategies were supported and most effective when the government and citizens realized the value of the service and future development.

At the conclusion of the second meeting, a sub-committee was formed to further study potential funding strategies and report back to the Task Force with their findings.

## **Sub-Committee on Alternative Funding**

### ***First Meeting***

On May 5, 2006 Sub-Committee Chairman, Representative Boyd Marley and members of the Sub-Committee on Alternative Funding met to begin their work. Representative Marley presented the members with comprehensive written material on state (Bonds, Highway and General Fund) and federal (Federal Highway, Transit and Rail,) financial resources; as well as information from the National Transit Database, Comparable State Funding and the Department of Homeland Security.

Reports on Impact Fees and Tax Increment Financing, requested by members from an earlier meeting, were presented as follows:

#### ***Impact Fees***

In Colorado, Florida and California impact fees are charged to developers to compensate for the impact of their development and projects on roads. The developer pays for improvements to compensate for traffic the project generates and to maintain the existing level of service. Impact Fees have been used extensively in Colorado to pay for transit operations in communities impacted by new development. Currently, Impact Fees are not being imposed on developers in Maine and would require in-depth study and legislation to institute.

#### ***Tax Increment Financing (TIF)***

From its inception in 1980 TIF has been a local economic development financing tool, used solely at the discretion of the municipality, and only available upon the affirmative vote of the majority of the municipality's legislative body and by law; and TIF districts are established for a limited duration, and thus cannot be considered permanent funding.



While it is possible that TIF could play a role in funding passenger rail operations in Maine, it would likely be a relatively minor one, and in fact should probably not be included in any long term financial models. There are several reasons for this: the future efficacy of TIF is uncertain and the potential cash flows would be limited, especially so when factoring in the elimination of the tax on business personal property.

Both of these funding mechanisms were thoroughly discussed as potential funding solutions and were dismissed by the Sub-Committee.

Following the reports on Impact Fees and TIF, the Sub-Committee brainstormed on other potential funding strategies. Members agreed to an annual operational assistance funding goal of \$8 million for Downeaster operations. They also considered all funding strategies “on the table” and discussed the benefits of each including Local Option Taxes, Air Quality Credits, Real Estate Transfer, Vehicle Excise and Sales Tax, Car Rentals, Petroleum Fees, Meals & Lodging, Tolling, Bonding, Fees on Tire Sales, Vehicle Inspections and Registrations, Specialty License Plates and Parking Fees.

At the conclusion of the meeting, Representative Marley summarized the ideas that came out of the brainstorming session. As a result, members requested further research on several areas of interest related to passenger rail as possible funding solutions. The focus areas included taxes or fees on motor vehicles, tourism, general sales and car rentals. Additionally, Sub-Committee members wanted to consider broadening the base of funding to bring in alternative modes that added connectivity to the train and supported transit statewide.

Finally, members acknowledged the difficult task ahead of recommending funding strategies that would be acceptable and relevant to the citizens of Maine. It was further noted that there was “no magic answer.”

### ***Second Meeting***

The Sub-Committee on Alternative Funding met again on August 1, 2006. Representative Marley presented a Briefing Paper to the Sub-Committee that outlined the areas of interest that had been requested for further research. The following summaries were reported to the sub-committee:

#### ***- Air Credits***

In several states, including California and Illinois where serious air quality conditions persist, it is possible to buy and sell credits for various pollutants. Buying credits for pollutants is also known as off-site mitigation. These pollutants include Nitrogen oxide (NO<sub>x</sub>), volatile organic compounds (VOCs) and carbon dioxide (CO<sub>2</sub>). The first two pollutants listed are directly linked to the creation of ozone and the last pollutant is a known greenhouse gas pollutant.

In the State of Maine, establishing a system of selling and buying air quality credits would not be viable without the adoption of statewide regulations that establish emission thresholds for projects. Without any regulation, any means for purchasing emission credits for projects would be done on a voluntary basis. As a result, the demand for

credits would probably be low and the cost of these credits would also be low. Consequently, any funding derived from the sale of emission credits would be small.

#### **- Car Rentals**

Short-term car rentals, for less than 12 months to one person, are subject to a 10% Maine tax. Typically, these are daily rental operations. Taxable rentals include all charges for the rental of the automobile, including maintenance and service charges, delivery charges and collision damage waiver charges. Rentals do not include cancellation charges, sales of gasoline or other insurance charges not required by the lessor.

##### 2005 Car Rentals

- Tax Revenue
  - \$5.4M
- Short-term Auto Rental Tax
  - 10%
- Predicted Annual Growth
  - 0%

(Financial data from Report of the Maine State Revenue Forecasting Committee December 2005)

#### **- General Sales**

##### 2005 General Merchandise Sales

- Sales
  - Statewide - \$2.96B
- Tax Revenue
  - Statewide - \$149.3M
- 5% Maine Sales Tax
- Predicted Annual Growth
  - 3%
- Based on 2005 Actual
  - 1% Annual Tax Revenue = approximately \$1.4M

(Financial data from Report of the Maine State Revenue Forecasting Committee December 2005)

#### **- Meals & Lodging**

Maine taxes the retail sale of all tangible personal property and taxable services at the rate of 5%, with the exception of liquor in licensed establishments, prepared food, and hotel and campground-type lodging, which are taxed at 7%. These 7% taxes are known collectively as the “meals and lodging tax.”

##### 2005 Meals & Lodging Tax

- Sales
  - Statewide - \$2.31B
    - York & Cumberland County – \$1.12B (48.5%) Revenue
  - Statewide - \$163.6M
    - York & Cumberland County – \$78.3M
- Projected Annual Growth
  - 3.33% (averaged)

- Based on 2005 Actual
  - 1% Annual Tax Revenue = approximately \$1.5M

(Financial data from Report of the Maine State Revenue Forecasting Committee December 2005)

### **- Real Estate Transfer**

The real estate transfer tax is imposed on each deed by which any real property in this State is transferred. The register of deeds will compute the tax based on the value of the property as set forth in the declaration of value.

The Transfer Tax Form (Declaration of Value) must be filed at the County Register of Deeds at the same time as the recording of the accompanying deed. The transfer tax is collected on the following two transactions. The rate of tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the property being transferred. The tax is imposed ½ on the grantor and ½ on the grantee. Ninety percent of the tax revenue is forwarded to the State, 10% is retained by the county. Of the 90%, one-half is credited to the Maine State Housing Authority.

### **- Vehicle Excise**

The Excise Tax on motor vehicles is a local property tax on vehicles. The tax rate is determined by State Statute. One hundred percent of the revenue goes to the municipality. No financial data available.

### **- Vehicle Sales**

#### 2005 Total Vehicle Sales Tax

- Tax Revenue
  - \$148M
- Sales Tax
  - 5% on the purchase price of the vehicle.
    - Includes autos, trucks, travel trailers and all recreational vehicles such as motor cycles, snowmobiles and ATVs.
- Projected Annual Growth
  - 3% (averaged)
- Based on 2005 Actual
  - 1% Annual Tax Revenue = approximately \$1.4M

(Financial data from Report of the Maine State Revenue Forecasting Committee December 2005)

### **- STAR Account**

The STAR (State Transit, Aviation and Rail) Transportation Fund is an enterprise account established by the Legislature within the Maine Department of Transportation. Annual fees, approximately \$2 million (collected under Chapter 457, Part GGG), must be deposited into the STAR Account to support activities to manage transit, aeronautics and rail transportation. Money disbursed from the account may be used for the purpose of purchasing, operating, maintaining, improving, repairing, constructing and managing the assets of the STAR Transportation Fund including buildings, structures and improvements, and equipment.

Revenues to the STAR account are all dedicated to that account by the Legislature and include railroad taxes, aviation fuel taxes, airport fees and taxes, propane fuel taxes, and miscellaneous fees.

The briefing also included a review of a document from the Federal Transit Administration's Transportation Research Board noting the various funding strategies for public transportation in thirty-four states. Over half of the states used General Funds to support transit.

Following the briefing, Representative Marley led the discussion on possible recommendations and noted the obstacles ahead in their funding search including the pent-up demand across the state for major highway projects. However, several sub-committee members pointed out that by identifying an offsetting revenue source, the Department of Transportation would free up over \$6 million in Congestion Mitigation and Air Quality (CMAQ) funds which would then be available for other transportation investments across the state making this support essentially revenue neutral to the state.

Referring to the trains' connection to economic development and tourism, Sub-Committee members stressed that the Downeaster has attracted visitors to the state and is being used by residents from all parts of the state. The train service has demonstrated its value as a fundamental force in economic development in the rail corridor and station communities and provided for a cost-effective connection between passenger rail improvements and enhanced freight service.

Members also commented that the environmental connection to passenger rail service is clear. The train offers an alternative to the automobile with the direct benefit of relieving congestion and improving safety on the highways. Extending the rail corridor north to Brunswick, Lewiston/Auburn and potential for the Mountain Division would benefit those areas of the state that are currently dealing with traffic bottlenecks during peak commuting periods. As a final point, it was noted that there is a critical link between the passenger rail service and local transit. Those mode connections should be supported in order to ensure continued success.

At the conclusion, Representative Marley polled the members on funding recommendations. The following recommendations were unanimously adopted to be delivered to the full Task Force on Passenger Rail Funding in late September.

**The Sub-Committee on Funding Alternatives recommended:**

- Broaden funding base to include public transit
- Funds should be transferred into STAR Account
- Recommend transportation linked funding strategies (tax revenues) at the following level:

<i>Car Rentals</i>	– 100%	(\$5.4M)
<i>General Merchandise Sales</i>	– 2%	(\$3M)
<i>Meals &amp; Lodging</i>	– 2%	(\$3M)
<i>Vehicle Sales</i>	– 1%	(\$1.4M)

Total Funding Estimate -

\$12.8M

- Financial data from Report of the Maine State Revenue Forecasting Committee  
December 2005

## IV. CONCLUSIONS

### *Third Meeting*

The Task Force on Passenger Rail Funding held their final meeting on September 25, 2006. Sub-Committee Chairman, Representative Boyd Marley began the meeting by summarizing the effort of the Sub-Committee on Funding Alternatives. As Representative Marley outlined the previous sub-committee meetings, members of the Task Force frequently questioned the Sub-Committee's intentions and rationale on their examination of funding alternatives.

At the conclusion of Representative Marley's briefing, Task Force members affirmed the Sub-Committee's evaluation and added further strategies to support the findings. Specifically, members wanted the Findings and Recommendations Report to the 123<sup>rd</sup> Legislature to reflect their intention to guarantee a continued funding stream for the operation of the Downeaster and institute an incremental approach to rail extension with a blue print for how it would be rolled out in the future. Furthermore, Task Force members noted the correlation between rail service and alternative modes of transportation and the avoided costs of congestion and highway expansion. A final vote on the recommendations was deferred to the end of the meeting.

The Maine Department of Transportation presented a report on the Portland North Rail Corridor including a summary of corridor segments and related MaineDOT studies through 2006. The I-295 Corridor Report, completed in 2005, studied how to improve existing and future traffic congestion that is anticipated to exceed capacity in 2025. The report recommended building a commuter rail service into the Portland Peninsula that would compliment Amtrak service and infrastructure improvements, provide 30-minute peak-period headways, and add stops at strategic locations north of Portland.

The Portland North Rail Study analyzed the potential passenger rail routes and engineering cost estimates of those options between Portland and the destinations of Yarmouth, Freeport, Brunswick and Auburn; and, the highway and rail infrastructure improvements that would be required to complete the alternative rail routes. The MaineDOT concluded by saying that the Department has completed 90% of the Federal Transit Administration's requirements on environmental assessments and alternatives for extending passenger rail north of Portland. The next step involves conducting an FTA Small Starts feasibility analysis.

As the final presentation, NNEPRA Executive Director Patricia Douglas gave an update on the Downeaster operations and the results of a recent Passenger Satisfaction Survey, as well as, an Executive Order from the Office of the Governor directing the Authority to review rail alignment alternatives north of Portland.

Ms. Douglas reported that the upward trend in ridership has continued through 2006 and expected to exceed 2005 by 30%. The May 2006 Passenger Survey revealed that of the 1,023 riders surveyed, 64.6% live in Maine and represented every county in the state and 159 zip codes. Eighty-five percent of the respondents said that they would *definitely recommend* the Downeaster to a friend. The survey also asked what factors would influence respondents to ride the Downeaster more often. Transportation issues related to schedule and frequency, travel time and connections were *most important*. The final survey question asked respondents about

funding the Downeaster. Ninety-eight percent of those Mainers surveyed *would support public funding* of the rail service through increased taxes, fees or tolling.

September 1, 2006, Governor John E. Baldacci issued an Executive Order: AN ORDER TO STRENGTHEN THE COMMUNITY AND ECONOMIC IMPACT OF AMTRAK'S DOWNEASTER SERVICE, AND TO ADVANCE PLANS FOR PASSENGER RAIL SERVICE NORTH OF PORTLAND. The Order cited law and past policies that supported the return of passenger rail in Maine and established the Northern New England Passenger Rail Authority. Also noted were the future impacts of congestion in Southern Maine, an aging population and increasing fuel costs as reasons to expand passenger rail service north of Portland.

Specifically, the Northern New England Rail Authority is required to review the development of passenger rail service north of Portland; and, reach out to stakeholder groups on potential rail alignment, types of services, equipment, capital funding and connectivity to local transit and light rail options. NNEPRA is required to report findings to the Governor by December 1, 2006.

Following the final report to the Task Force, Chairman Greg Nadeau briefly reviewed the information and materials presented to the members and began to poll each one on their recommendations for the report to the Legislature.

#### **Task Force on Passenger Rail Funding Recommendations:**

Task Force members collectively agreed to the recommendations from the Sub-Committee on Funding Alternatives linking funding alternatives and strategies in order to ensure success. Additionally, members emphasized the role that the Downeaster plays as a key asset to the citizens of Maine, not only providing transportation to hundreds of thousands annually, but as a significant and increasing source of economic development. Members noted that the Downeaster has exceeded projections for ridership and revenue and, with service expansion north, could offer the alternative transportation artery considered necessary to provide essential service to major commuter markets and to an aging population.

Furthermore:

- **Recommend** transportation linked funding strategies (tax revenues) at the following level:

<i>Car Rentals</i> .....	<i>100%</i>
<i>General Merchandise Sales</i> .....	<i>2%</i>
<i>Meals &amp; Lodging</i> .....	<i>2%</i>
<i>Vehicle Sales</i> .....	<i>1%</i>

With the exception of Car Rentals, the recommended revenue sources are within the Bureau of Revenue Services projected incremental annual growth. These general fund strategies are based on the Downeaster's impact and clear connection to tourism, economic development, and alternative modes of transportation.

In addition, with recommended revenue sources, \$6 million in federal CMAQ funds will be available to the State of Maine for transportation projects.

- **Recommend** funds transferred into STAR Account. Funding for Downeaster operations should be accrued on a monthly basis beginning July 1, 2007, and have priority over alternative modes. Operational funds are not limited to the Portland to Boston route, but can include future development north of Portland.
- **Recommend** broadening funding base to include public transit:and to provide increased modal support such as:

Rail

- Establish Platform and Station Assistance Program
- Support Passenger Rail Maintenance

Airports

- Support State & Local Pavement Preservation – 36 Airports
- Support Small Airport Development Program & All-Weather Access

Transit

- Increase Connections to Passenger Rail Stations & Communities
- Expand Seasonal Explorer System
- Establish Local Inter-City Bus Match for Underserved Areas
- Increase Support to Local Fixed Route Services (Metro, BAT, Citylink)

Trails

- Support Local Trail Maintenance